

806 KAR 2:095. Accounting and reporting requirements for collecting local government premium tax.

RELATES TO: KRS 91A.080, 304.4-010

STATUTORY AUTHORITY: KRS 91A.080, 304.2-110

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110 authorizes the Commissioner of Insurance to make reasonable rules and administrative regulations necessary for and as an aid to the effectuation of any provision of the Kentucky Insurance Code, as defined in KRS 304.1-010. KRS 91A.080 requires the Commissioner of Insurance to adopt administrative regulations for the collection and reporting of local government premium taxes. This administrative regulation establishes requirements for the accounting and reporting procedures to be used for the collection and reporting of a local government premium tax.

Section 1. Definitions. (1) "Agent" is defined by KRS 304.9-020(1).

(2) "Commissioner" is defined by KRS 304.1-050(1).

(3) "Insurance company" means:

(a) An entity holding a certificate of authority in accordance with KRS Chapter 304, Subtitle 3; and

(b) A surplus lines broker licensed in accordance with KRS 304.10-120.

(4) "Local government" is defined by KRS 91A.0802(1).

(5) "Local government premium tax" means a tax or license fee levied pursuant to KRS 91A.080.

Section 2. Quarterly Payment and Reporting of Local Government Premium Taxes. (1) Each insurance company with local government premium tax liability shall make payment of its tax liability based on premiums actually collected within a calendar quarter. Payment shall be made to each local government within thirty (30) days of the end of each calendar quarter, and shall be accompanied by a report in the following format:

(a) 1. Form LGT-141, City, County or Urban County Government Quarterly Insurance Premium Tax Return; and

2. Form LGT 142, City Credit Against County Taxes; or

(b) A form substantially similar to Form LGT-141.

(2) A copy of the report required in subsection (1) of this section shall not be filed with the commissioner.

Section 3. Annual Reports. (1) By March 31 of each year, an insurance company shall:

(a) Furnish each local government to which local government premium taxes have been paid during the preceding calendar year a report on the local government premium taxes paid during the preceding calendar year in the following format:

1. a. Form LGT-140, City, County or Urban County Government Insurance Premium Tax Annual Reconciliation; and

b. Form LGT 142, City Credit Against County Taxes; or

2. A form substantially similar to Form LGT-140; and

(b) Submit to the department a report on the local government premium taxes paid during the preceding calendar year, accompanied by a fee of five (5) dollars per insurance company, through:

1. The Department of Insurance Web site, <https://insurance.ky.gov/kentucky/secured/Eservices/default.aspx>; or

2. File Transfer Protocol through prior arrangement with the Department of Insurance.

(2)(a) If an insurance company does not have any local government premium tax liability for the preceding calendar year, the insurance company shall submit a report to the department in accordance with subsection (1)(b) of this section.

(b) The reports required by paragraph (a) of this subsection shall be required if the insurance company held an active license or certificate of authority at any time during the preceding calendar year.

Section 4. Each insurance company shall maintain records adequate to support the reports required by this administrative regulation.

Section 5. Each insurance company shall file the reports required by this administrative regulation. Reports required by this administrative regulation and filed on a group basis shall not be acceptable.

Section 6. Incorporation by Reference. (1) The following material is incorporated by reference:

(a) Form LGT-140, "City, County, or Urban County Government Insurance Premium Tax Annual Reconciliation", 1/2012;

(b) Form LGT-141, "City, County, or Urban County Government Quarterly Insurance Premium Tax Return", 1/2012; and

(c) Form LGT-142 "City Credit Against County Taxes", 1/2012.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Insurance, 215 West Main Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. This material is also available on the department's website at: <http://insurance.ky.gov/>. (5 Ky.R. 96; eff. 9-6-78; Am. 9 Ky.R. 383; eff. 10-6-82; 11 Ky.R. 649; 981; eff. 12-11-84; 20 Ky.R. 1697; eff. 2-10-94; TAm eff. 8-9-2007; 38 Ky.R. 1495; 1857; eff. 6-1-2012.)